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To: All Rental Housing Tax Credit Recipients  
From: IHCD Multi Family Department  
Date: May 28, 2008  
Re: **Casualty Losses**

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**Notice: MFD-08-10**

Unfortunately, earthquakes, tornados, and fires sometimes damage or destroy Section 42 developments. Should this occur, please remember to report Casualty Losses to IHCD within 10-days of an incident.

An Owner that experiences a loss of unit(s) due to fire, natural disaster, or other circumstances must inform IHCD of the loss in writing within 10-days of the incident. Also, the Owner must submit a plan to IHCD within 30-days that sets a timeframe for reconstruction or replacement of lost units.

IHCD must report the loss and replacement of the units to the IRS after 90 days. If the units have not been fully replaced, IHCD will attach a copy of the Owner's plan and timeframe for replacement to its report. Once all units have been replaced, IHCD will then report the replacement of the lost units.

If an Owner fails to report a Casualty Loss to IHCD within 10-days, IHCD will report the incident as a noncompliance to the IRS with IRS Form 8823.

This information on Casualty Loss can be found in the 2008 Compliance Manual; Part 5.11.

Report Casualty Losses, within 10-days, to:

Indiana Housing & Community Development Authority  
Douglas A. Newport  
Multi-Family Housing Compliance Inspector  
30 South Meridian Street, Suite 1000  
Indianapolis, Indiana 46204  
E-Mail: [dnewport@ihcda.in.gov](mailto:dnewport@ihcda.in.gov)

